

“TOURISM IS IMPORTANT TO THE ECONOMY OF OUR STATE AND THE FOLKS AT TRAVEL MONTANA WORK HARD TO PROMOTE OUR GREAT STATE AS A VACATION AND BUSINESS DESTINATION, BRINGING IN PEOPLE FROM ALL OVER THE WORLD TO VISIT OUR LANDMARKS AND COMMUNITIES.”

-GOVERNOR BRIAN SCHWEITZER

MONTANA PROMOTION DIVISION MISSION STATEMENT

Our mission is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location. By maximizing the combined talents and abilities of its staff, and with guidance from the Governor's Tourism Advisory Council, Travel Montana strives to promote a quality experience to visitors while encouraging preservation of Montana's environment and quality of life.

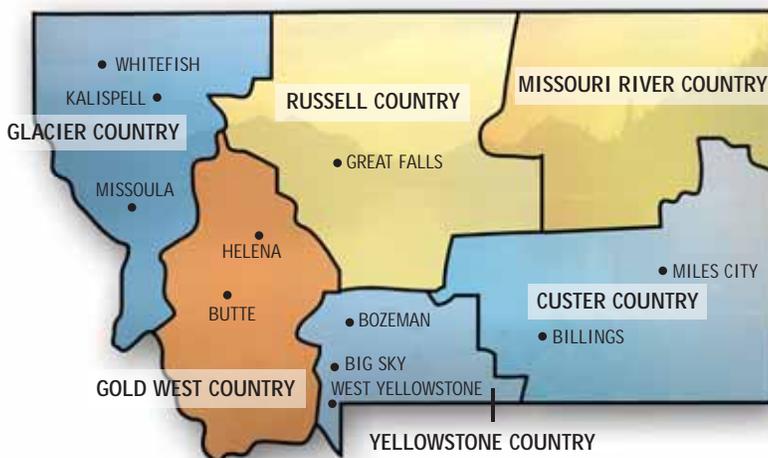
PARTNERSHIPS

The Montana Commerce Department's Promotion Division (Travel Montana and the Montana Film Office) is the statewide program focused on creating and maintaining Montana's positive image as a visitor destination and film location. The program goal is accomplished through various marketing efforts, networking with the state's public and private sector tourism and recreation industry and agencies, along with education and development assistance.

TOURISM PARTNERS

- SIX TOURISM REGIONS
- ELEVEN CONVENTION & VISITOR BUREAUS (CVBs)
- INSTITUTE OF TOURISM & RECREATION RESEARCH (ITRR)
- MONTANA TOURISM & RECREATION INITIATIVE (MTRI)
(a multi-agency tourism and recreation cooperative)
- MONTANA HISTORICAL SOCIETY
- MONTANA HERITAGE COMMISSION
- MONTANA PARKS DIVISION

TOURISM REGIONS & CVBs



TOURISM ADVISORY COUNCIL

- Advises the Governor
- Advises the Montana Promotion Division
- Oversees tourism research
- Oversees annual marketing plans and distribution of funds to tourism regions and CVBs

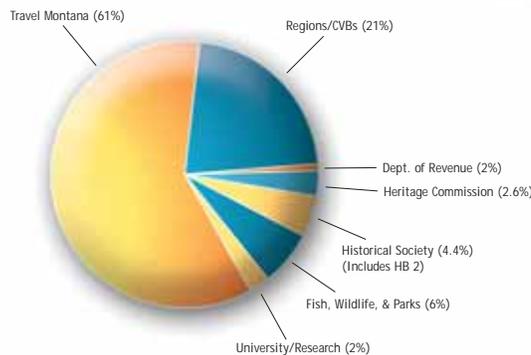
Mike Scholz, Chair, Big Sky
 Homer Staves, Vice Chair, Billings
 Cyndy Andrus, Bozeman
 Dyani Bingham, Billings
 Mark Browning, Miles City
 Ed DesRosier, East Glacier Park
 Rhonda Fitzgerald, Whitefish
 Beverly Harbaugh, Jordan
 Ramona Holt, Lolo
 Vicki Hucce, Helena
 Carl Kochman, Helena
 Michael Morrison, Great Falls
 Stan Ozark, Glasgow
 Dolores Plumage, Chinook
 Marilyn Polich, Butte
 Jonathan Stoltz, Pendroy
 Dan Vermillion, Livingston

MONTANA'S TOURISM FUNDING

AN INVESTMENT...

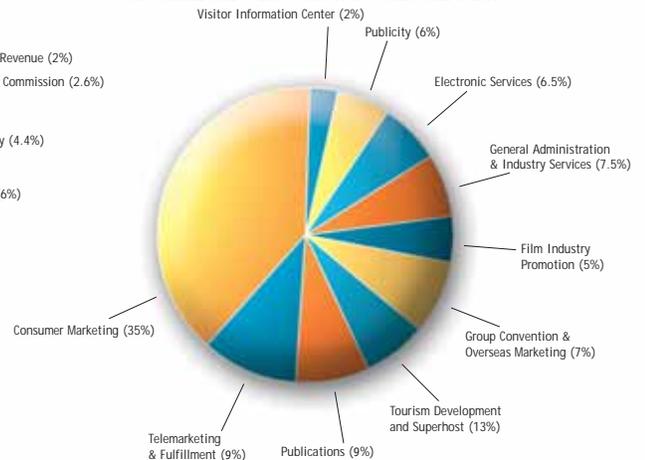
In 1987, Montana's legislature recognized the importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the "bed tax." Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the Montana Historical Society, the university system, Montana Fish, Wildlife & Parks, Montana's tourism regions and Convention and Visitors Bureaus (CVBs) and the Department of Commerce for travel and film promotion. Importantly, no additional money for tourism funding comes from Montana's general fund. Twenty years after the legislature created the bed tax, its success is evident. Today, tourism is one of Montana's largest and fastest-growing industries in the state.

FY07 LODGING FACILITY USE TAX DISTRIBUTION



These figures are based upon total annual revenue collections and the distribution of it according to the percentages as stated by law. Numbers do not add up to 100% due to rounding. *Allocations to the Department of Revenue are based upon their ACT05013 report. Actual figures can be obtained from the Department of Revenue.

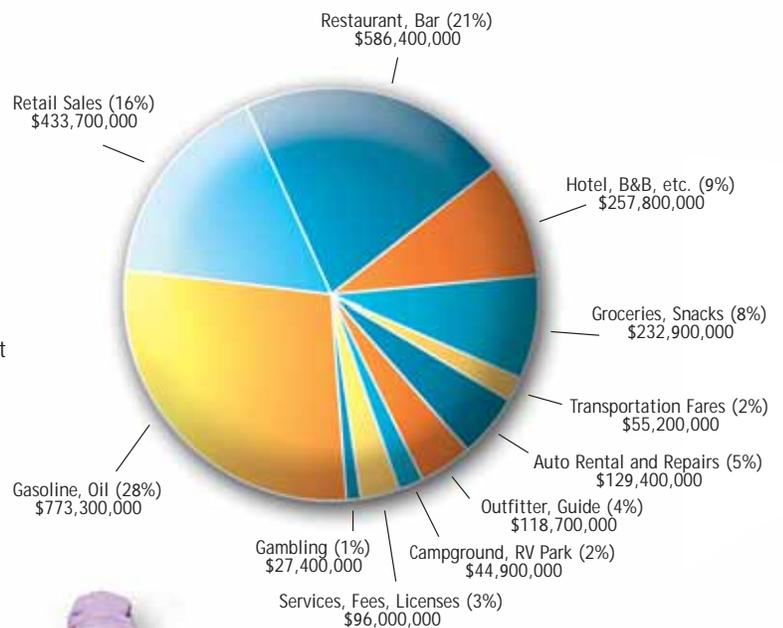
HOW TRAVEL AND FILM PROMOTION FUNDS ARE SPENT



...WITH HIGH RETURNS

- Tourism is one of Montana's leading and fastest growing industries.
- Montana hosted over **10.1 million** visitors in 2005 which means 11 new customers per Montana resident for Main Street businesses.
- Our visitors spent over **\$2.7 billion** in 2005 which is new money for Montana's economy.
- Tourism and recreation businesses support **45,940 Montana jobs**.
- Non-resident visitors had a total economic impact of **\$3.69 billion** in 2005.
- Visitor spending generated over **\$202 million** in state and local tax revenue in 2005.
- Every bed tax dollar invested in media placement promoting Montana yielded \$3.50 in state and local taxes. (2004 Longwoods Study)
- The state garnered \$50 in increased traveler spending for every \$1 spent on media placement. (2004 Longwoods Study)

2005 VISITOR EXPENDITURES:
OVER \$2.7 BILLION IN NEW MONEY



BIG SKY MEETS BIG SCREEN

MONTANA FILM OFFICE



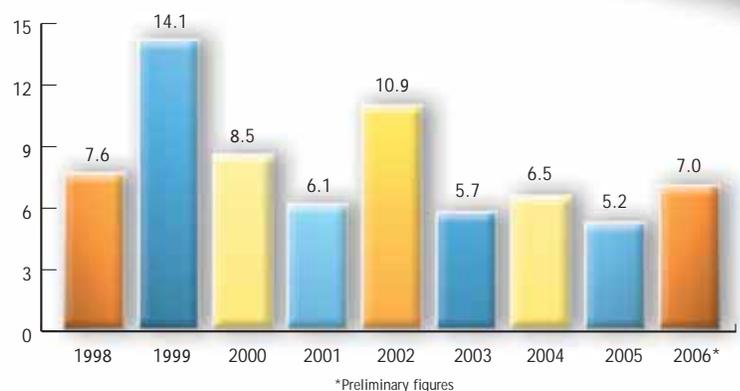
The Montana Film Office promotes Montana as a film, television, documentary and commercial production location through a variety of tools. The Film office:

- Markets Montana to the film industry
- Brings Productions into Montana for economic benefit
- Produces the Montana Production Guide listing over 700 Montana businesses and 300 freelance film crew members
- Maintains montanafilm.com
- Ensures Montana is "film friendly"

HIGHLIGHTS

- Big Sky on the Big Screen Act, enacted by the 2005 legislature, offers 12% rebate based on hired Montana labor and 8% rebate on qualified expenditures—15 productions certified since passage.

MONTANA REVENUE (IN MILLIONS) FROM FILMING



RESOURCE-RICH MONTANA ONLINE RESOURCES

MONTANA TRAVEL REGIONS

- custer.visitmt.com - Custer Country
- glacier.visitmt.com - Glacier Country
- goldwest.visitmt.com - Gold West Country
- missouririver.visitmt.com - Missouri River Country
- russell.visitmt.com - Russell Country
- yellowstone.visitmt.com - Yellowstone Country

MONTANA CVBS

- bigskychamber.com - Big Sky
- billingscvb.visitmt.com - Billings
- bozemancvb.visitmt.com - Bozeman
- butteinfo.org - Butte
- fcvb.org - Flathead Valley
- greatfallscvb.visitmt.com - Great Falls
- helenacvb.visitmt.com - Helena
- milesitymt.org - Miles City
- missoulacvb.org - Missoula
- westyellowstonecvb.visitmt.com - West Yellowstone
- whitefishchamber.org - Whitefish

WEBSITES MAINTAINED BY TRAVEL MONTANA

- indiannations.visitmt.com - This site is devoted to Montana's Indian Nations.
- lewisandclark.mt.gov - Montana's Lewis and Clark site, devoted to the Corps of Discovery's journey across our state.
- montanafilm.com - The official site of the Montana Film Office, with location photos and information about filming.
- montanagroups.com - The Montana Group Tour Planning Guide, offering information on group tour services.
- montanakids.com - Specifically designed for kids, including games and other fun.
- montanameetings.com - The Montana meeting planner's site, offering information about meeting or convention services and locations.
- travelmontana.mt.gov - Travel Montana's intranet site, offering up-to-date information about the state's tourism industry.

- visitmt.com - Travel Montana's main web site with visitor information and vacation planning assistance.
- wintermt.com - Montana's winter site, covering the pursuit of fun during our snowy season.

OTHER USEFUL SITES

- fwp.mt.gov - Montana Department of Fish, Wildlife & Parks
- lewis-clark.org - Discovering Lewis and Clark
- montanalewisandclark.org - Montana Lewis and Clark Bicentennial Commission
- mt.gov - Montana online
- nps.gov/glac - Glacier National Park
- nps.gov/yell - Yellowstone National Park
- www.fs.fed.us/r1 - Forest Service, Northern Region
- www.itrr.umt.edu - Institute for Tourism and Recreation Research
- www.mt.blm.gov - Bureau of Land Management

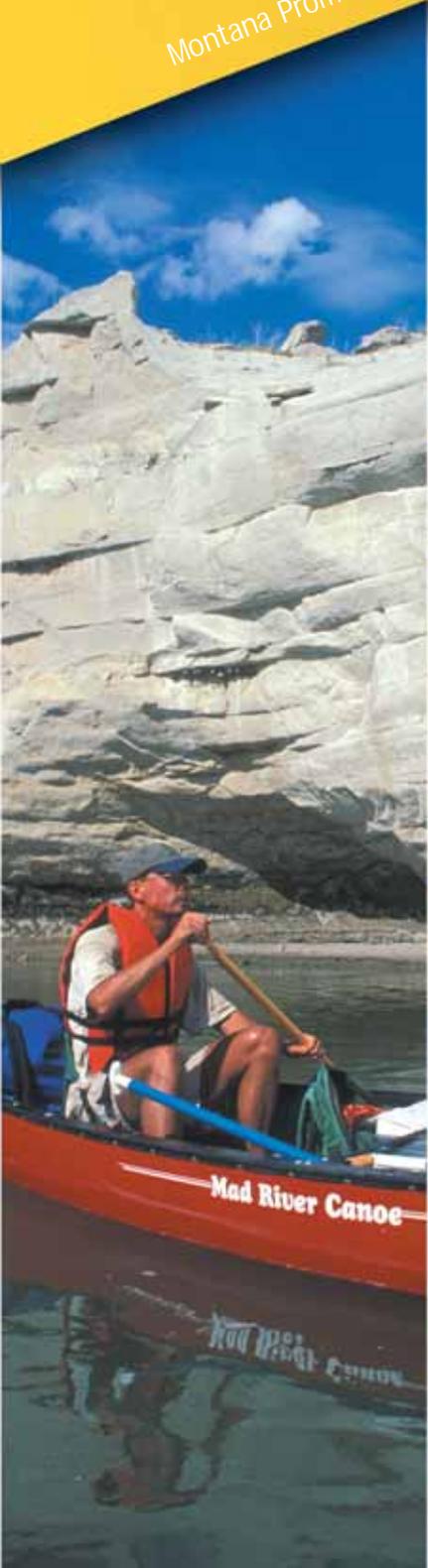


MONTANA

BIG SKY COUNTRY

THE REPORT ON THE
MONTANA TOURISM INDUSTRY
JANUARY 2007

Montana Promotion Division • Department of Commerce



MARKETING THE MONTANA MYSTIQUE



HIGHLIGHTS OF 2006

- Generated **\$11.2 million** in Montana tourism-related publicity in 2005 to help drive awareness and ultimately visitors to our state. This figure is up over 5% from 2004.
- Conducted a **Public Relations RFP** and contracted with Mercury Advertising, Bozeman, to help guide our year-round PR efforts.
- Developed an **online Press Room** for the VisitMT.com website to provide media specific information, tools and services to journalists.
- Grew our press list contacts database by **15%** and communicate with over **1200 journalists** on a regular basis.
- Added **new email outreach utilities** to our database and now send graphically engaging, monthly blasts to targeted media segments.
- Met with **12 key editors** in the southern California marketplace to pitch Montana story ideas and forge personal media relationships.

NEWS MEANS VIEWS... AND MORE VISITORS.

PUBLICITY PROGRAM

Travel Montana's publicity program works with both domestic and international travel writers, TV, web and broadcast producers to communicate our state's myriad tourism stories. Specifically we:

- Provide research, logistic and often travel assistance to journalists producing articles and/or programming involving Montana.

- Organize and host both group and individual press trips.
- Assist with and sponsor worthy broadcast productions.
- Distribute story leads monthly and press releases as needed.
- Produce and distribute monthly *Travel Montana Update* to over 4500 recipients.

THINK GLOBALLY. MEET LOCALLY.

OVERSEAS MARKETING

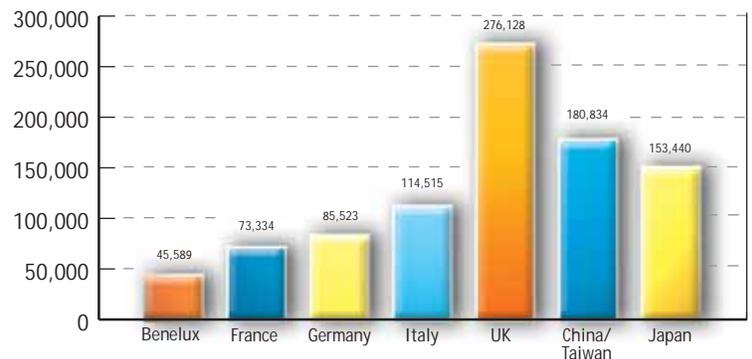
The Overseas Marketing Program promotes Montana as a vacation destination to overseas tour operators, travel agents and media. The program works cooperatively with South Dakota, Wyoming and Idaho to market the 4-state region in the United Kingdom, Germany, France, Belgium, Netherlands and Italy. All four states contract with Rocky Mountain International (RMI) to coordinate the marketing efforts. RMI has contracted staff and offices in each of the target countries. The program also works with representatives in Taipei, Taiwan, and Kumamoto, Japan, to promote Montana as a vacation destination to tour operators and media in those countries.

GROUP TOURS

The Group Travel Program provides tour operators with the tools to build a successful Montana tour itinerary and to generate more awareness of statewide group tour product. A fully loaded motorcoach (46 passengers on average) on a charter or tour making an overnight stay contributes an average of \$5,000 to \$7,500 (USD) per day to the local economy in expenditures.



INTERNATIONAL OVERNIGHTS OFFERED IN MONTANA (2005-2006)



MEETINGS AND CONVENTIONS

Montana continues to grow as a key destination for convention and meeting planners nationwide. New in FY07, the "Trade Show Assistance Program" provides financial support for Regions and Convention & Visitor Bureaus (CVBs) to attend and participate in meeting and convention trade shows. Travel Montana is also coordinating advertising at a reduced rate for interested partners in select M&C publications.



TRAVEL MONTANA'S ADVERTISING BUDGET IS \$3.15 MILLION. WHEN COMPARED TO OTHER STATES, MONTANA'S BUDGET RANKS 31ST.



PUTTING ATTRACTION IN ATTRACTIONS

CONSUMER MARKETING

The consumer marketing program develops advertising and promotional campaigns to positively and uniquely brand Montana, differentiate the state as a travel destination, and increase tourism. Nationwide tourism trends, statistics from the Institute of Tourism and Recreation Research, and the results of contracted research studies help determine the overall marketing strategy.

Due to the increasing costs of traditional media, MPD is continually looking for creative ways to stretch its marketing dollars. 2006 efforts included various public- and private-sector partnerships with:

- 3 Parks (MT, WY, Yellowstone NP, Grand Teton NP & Glacier NP)
- Northwest Lewis & Clark (MT, WA, ID & OR)
- Sled the Rockies (MT, ID & WY to promote snowmobiling)
- The North Face
- Recreational Equipment, Inc. (REI)

PRINT ADS

Sample list of 2006 publications:

- AAA Publications • AARP—The Magazine • Backpacker
- Bridal Guide • Good Housekeeping • National Geographic Traveler
- NWA WorldTraveler • Outside • Popular Photography • Ski
- Skiing • Snowmobile • Sunset • Travel & Leisure

TELEVISION SPOTS

2006 National Campaign: "GPS"

2006 In-state Campaigns: Summer "In Your Backyard" and Governor's "Invite-A-Friend"

Sample list of National TV Channels airing campaigns:

- Country Music Television • Discovery Channel • Food Network
- Lifetime • MSNBC • The Weather Channel • Travel Channel
- Major networks in key markets, including Minneapolis/St. Paul, Chicago & Seattle

KEY MARKET CAMPAIGNS

- 2004 research showed strong potential to grow visitation from Minneapolis/St. Paul, MN
- FY06 winter campaign included radio (MN-specific spots featuring the voiceover of Gov. Schweitzer), event marketing, outdoor (billboards, bus signage, skyway panels), and print advertising
- FY06 summer campaign included a Twin City "treasure hunt" with radio, web, and transit advertising

EFFECTIVENESS OF AD CAMPAIGNS

FY06 advertising highlights:

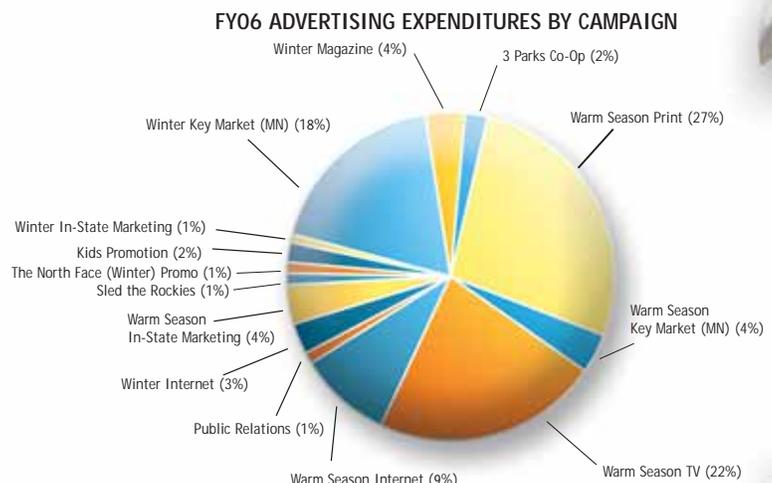
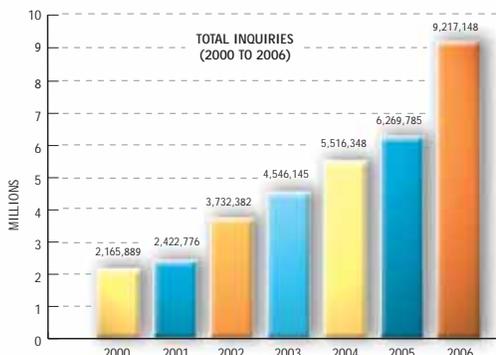
- Made more than 170,000,000 consumer impressions
- Generated 108,765 inquiries (not including web inquiries)
- Generated over 10,000,000 website user sessions

2006 Winter Key Market Research Study:

- \$357,000 winter key market campaign resulted in \$23.8 million in visitor spending
- For every dollar spent on winter key market advertising, \$67 is spent in Montana
- 26% of key market inquiries convert to travelers—a rate 2x more than past national campaigns

Longwoods International evaluated Travel Montana's FY04 Warm Season advertising:

- Investment of \$1.4 million in ad campaigns
- Advertising resulted in \$68 million in visitor spending
- Advertising resulted in 463,000 trips to Montana
- Return-on-investment—\$3.50 in state and local tax contribution for every dollar spent on media placement



BUILD IT AND THEY WILL COME

TOURISM DEVELOPMENT AND EDUCATION

- Technical and financial assistance for tourism-related facility projects, communities, organizations and events
- A 9-community Gateway Visitor Information Center program—Culbertson, Dillon, Hardin, Lolo Pass, Broadus, Shelby, St. Regis, West Yellowstone and Wibaux
- Montana Superhost customer service training
- Montana Governor's Conference on Tourism and Recreation (33rd Conference: April 2-3, 2007, Helena)
- Cultural & Heritage Tourism programs
- Montana Tourism & Recreation Initiative (MTRI)—a multi-agency tourism and recreation cooperative

2006 PROGRAM SUMMARY:

Tourism Infrastructure Investment Program (TIIP) Grants:

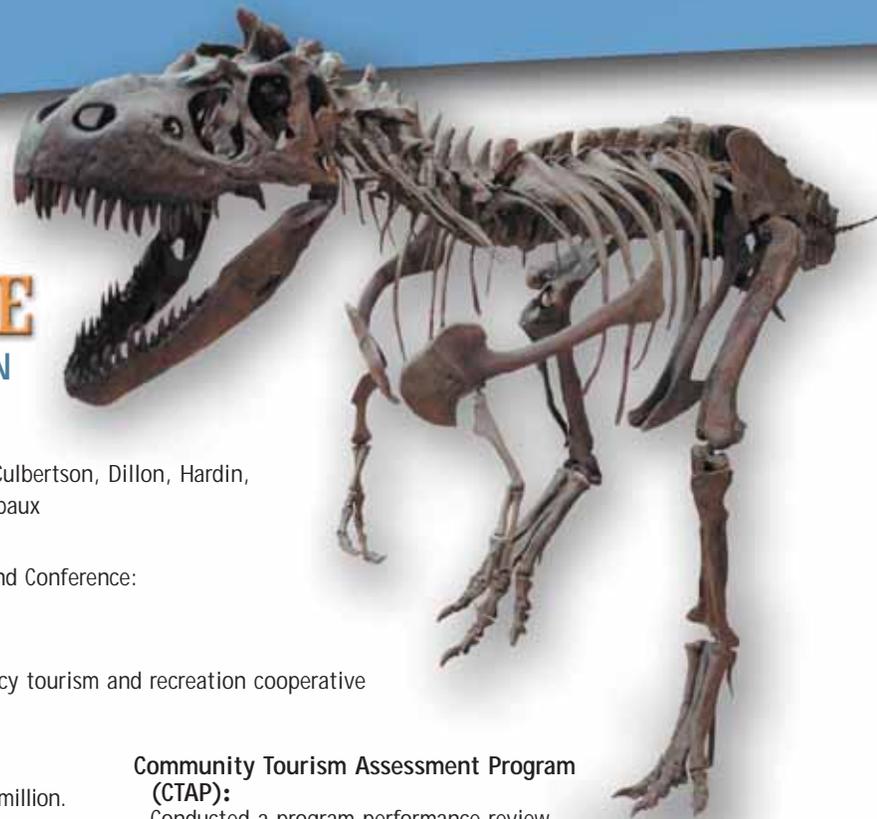
\$200,000 for seven tourism-related facility projects valued at \$1.82 million.

- Charlie Russell Chew Choo Tour Train, Lewistown—rail car upgrade
- John Dowdall Theatre, Polson—energy efficiency upgrade
- Pioneer Museum, Glasgow—energy efficiency upgrade
- Culbertson Museum, Culbertson—event/activity building
- Montana Shakespeare in the Parks, Bozeman/Statewide—new touring van
- Valley Event Center, Glasgow—2nd floor event/meeting room
- Utica Community Center, Utica—renovation

Special Event Grant Program (SEGP):

\$50,000 for new, annual ongoing events in 9 Montana communities.

- Anaconda—Blast from the Past
- Butte—Uptown Butte Arts & Heritage Revival Grand Finale
- Cooke City—Old Fashioned Fish Fry & Big Fish Contest
- Eureka—Eureka Quilt Show
- Glasgow—Feather Fest
 - Glendive—Music in Makoshika
 - Great Falls—Spur & Spin
 - Paradise—Montana Baroque Music Festival
 - Rudyard—Festival of Lights



Community Tourism Assessment Program (CTAP):

Conducted a program performance review with half of the 38 communities that have participated in the program.

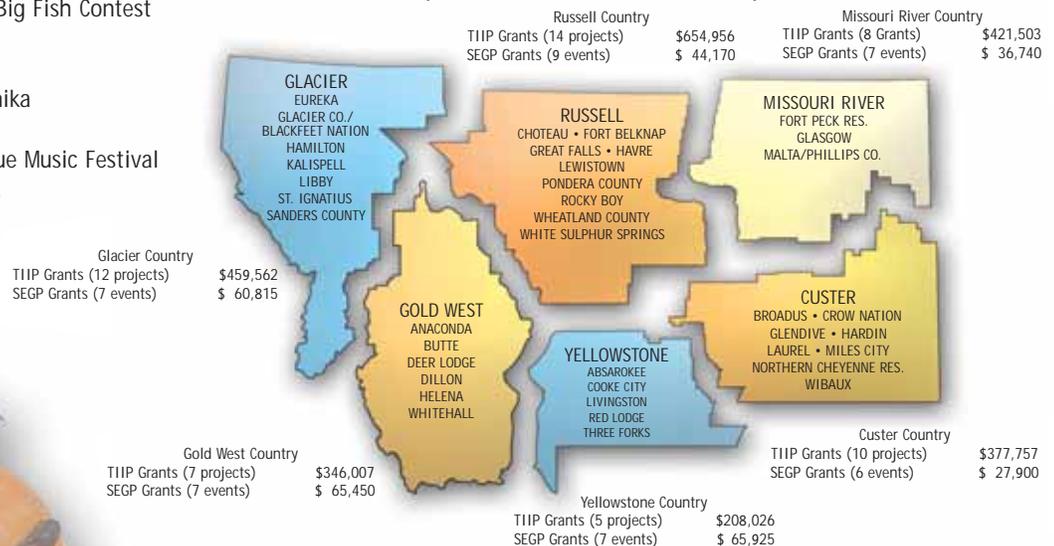
Montana Dinosaur Trail:

Coordinated and helped finance the 2nd year promotion and expansion of this heritage tourism project highlighting 15 unique dinosaur facilities in 12 Montana communities.

Montana Birding and Nature Trail System:

Provided financial and technical assistance for Northeastern Plains Birding Trail, Bitterroot Birding and Nature Trail and Russell Country Birding Trail.

OVERALL GRANT PROGRAMS 1990-2006 SUMMARY BY REGION (CTAP LISTED INSIDE REGION MAP)



Statewide TD&E "Bed Tax" Grants

TIIP Grants	\$2,468,010 (1995-2006)
SEGP Grants	\$301,000 (2002-2006)
CTAP Grants	\$466,000 (1991-2006)

TIIP Grants leveraged \$28.9 million for tourism facility improvements.



FULFILLMENT

The publication's program produces 2.5 million pieces of literature – guides, planners, brochures and maps – for distribution each year. These publications offer Montana businesses affordable advertising opportunities to reach the travel market. Annual distribution is through direct mail, chambers, visitor centers, consumer shows, conventions, and local businesses.

New in 2006 was the *Montana Vacation Planner*—a combination of the *Montana Vacation Guide* and the *Montana Travel Planner*. The *Vacation Planner* features 166 full color pages with more descriptive tourism sections, cities and attractions, fun facts, history, culture, wildlife, adventure, Indian reservations, Lewis & Clark, scenic drives, major ongoing events and accommodations and services listings.



TECH TALK

INFORMATION TECHNOLOGY

The eMarketing department brings Montana into the coffee shops, homes and offices of millions of potential visitors world wide. The department maintains the most comprehensive database of tourism related information in the state including travel related sites, services and events. This information is made available through a number of electronic services such as the Internet and our call center. This is a very cost-effective method of disseminating travel information, giving consumers the ability to obtain Montana information "instantly".

- For the first time, in 2006, our consumer sites had over 10 million visitor sessions and visits to our primary site, visitmt.com, increased by 36% over the previous year.

- The new VISITS system has allowed us to improve our lead management system and let us explore other forms of electronic marketing including newsletters and permission-based e-mail marketing.

The Internet is very dynamic and new trends and technologies are emerging every day. Electronic Marketing works to ensure we are capturing this "wired" market. To this end, the department provides Web services to our marketing partners across the state. Services include XML feeds containing portions of our database or the entire database of tourism related sites, services and events to be used on their own sites and a new RSS feed component.



VISITMT.COM
GROWTH FROM 2000-2006

